

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Voluntary _ Public

Date: 11/29/2016

GAIN Report Number: KS1643

Korea - Republic of

Post: Seoul

2016 Rice Production Update

Report Categories:

Grain and Feed

Approved By:

Amanda F. Hinkle

Prepared By:

Sunchul Choi

Report Highlights:

On November 15, 2016, Statistics Korea (KOSTAT) released its revised 2016 rice production estimate to 4.197 million metric tons (MMT), slightly down from 4.2 MMT, the initial rice production estimate surveyed for early September 2016. This represents 3.0 percent lower output than last year's record crop, reflecting a decline in rice area. Lowered production has also resulted in a 41 percent stocks-to-use ratio in MY 2016/17, the highest in several years.

General Information:

Production

On November 15, 2016, Statistics Korea (KOSTAT) released its revised 2016 rice production estimate of 4,196,691 metric tons, representing a minor decrease from the recent update of PSD (KS1638) due to continued favorable weather conditions through harvest completion combined with slightly lower planted area and yield. The PSD has been revised accordingly.

Yield

Favorable weather through harvest completion supported rice yield at 5,389 Kg per hectare. Yields were higher than average, but down 0.5 percent from a record yield last year.

Korea: Rice Area, Yield and Production			
Crop Year	Area (1,00HA)	Yield (KG/HA)	Production (Milled, 1,000 MT)
2005	980	4,900	4,768
2006	955	4,890	4,680
2007	950	4,640	4,408
2008	936	5,180	4,843
2009	924	5,318	4,916
2010	892	4,820	4,295
2011	854	4,946	4,224
2012	849	4,718	4,006
2013	833	5,081	4,230
2014	816	5,200	4,241
2015	799	5,416	4,327
2016	779	5,389	4,197

Source: Ministry for Agriculture, Food, and Rural Affairs (MAFRA)

Korea: 2016 Rice Area, Yield and Production			
Type of Rice Land	Area	Yield (KG/HA)	Production (Milled, MT)
Paddy Rice	777,872	5,392	4,194,618
Upland Rice	862	2,405	2,073
Total	778,734	5,389	4,196,691

Source: Ministry for Agriculture, Food, and Rural Affairs (MAFRA)

Korea: Rice Area and Production Estimate per Province (November 15 Crop Survey Basis)						
	Area (Hectare)			Production (Metric ton)		
Crop Year	2015	2016	Change (%)	2015	2016	Change (%)
National Total	799,344	778,734	-2.6	4,326,915	4,196,691	-3.0
Kyonggi	82,071	80,750	-1.6	420,680	413,916	-1.6
Kangwon	32,300	30,714	-4.9	173,676	166,396	-4.2
Chungbuk	39,786	37,114	-6.7	215,115	201,675	-6.2
Chungnam ^{2/}	146,319	137,354	-6.1	827,886	774,105	-6.5

Chonbuk	121,765	121,026	-0.6	700,591	687,398	-1.9
Chonnam	170,185	166,444	-2.2	866,202	846,236	-2.3
Kyounbuk	104,712	102,941	-1.7	589,466	576,643	-2.2
Kyongnam	73,934	70,626	-4.5	389,866	369,032	-5.3
Cheju	128	127	-1.0	444	358	-19.4
Cities ^{1/}	28,144	31,638	12.4	142,989	160,931	12.5

Source: Statistics Korea (KOSTAT)

1/ paddy land located in seven big cities such as Seoul, Pusan etc

2/ Sejong city was included, subtracting the city from Chungnam Province.

Stocks:

MY 2016/17 ending stocks (through the end of October 2017) are forecast to increase to 1.8 million tons, representing 41 percent of anticipated consumption. Stocks continue to increase as rice production in the past four years has been greater than demand, which was a result of a continued decline in per capita consumption.

MY 2015/16 stocks (at the end of October 2016) are estimated at about 1.7 million tons, or 39 percent of total domestic consumption.

Korea: Status of Rice Stocks (Milled rice, 1,000 MT, as of end October)						
Rice Year (Nov.-Oct.)	2011/12	2012/13	2013/14a/	2014/15b/	2015/16c/	2016/17c/
Total	730	755	887	1,406	1,697	1,818
Government Stock	730	755	887	1,406	1,697	1,818
-Domestic Rice	487	na	na	60%	na	na
-Imported Rice	243	na	na	40%	na	na
Civil Stock	0	0	0	0	0	0

Source: FAS/Seoul Estimate based on MAFRA data

a/ MAFRA Preliminary

b/ FAS/Seoul Preliminary

c/ FAS/Seoul forecast

Production, Supply and Demand Data Statistics:

Rice PS&D

Rice, Milled	2014/2015		2015/2016		2016/2017	
Market Begin Year	Nov 2014		Nov 2015		Nov 2016	
Korea, Republic of	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	816	816	799	799	779	779
Beginning Stocks	899	899	1406	1406	1697	1697
Milled Production	4241	4241	4327	4327	4200	4197
Rough Production	5638	5638	5771	5771	5600	5625
Milling Rate (.9999)	7522	7522	7498	7498	7500	7461
MY Imports	465	465	340	340	410	410
TY Imports	372	372	350	350	410	410
TY Imp. from U.S.	143	143	0	120	0	140
Total Supply	5605	5605	6073	6073	6307	6304
MY Exports	2	2	2	2	2	2
TY Exports	2	2	2	2	2	2

Consumption and Residual	4197	4197	4374	4374	4484	4484
Ending Stocks	1406	1406	1697	1697	1821	1818
Total Distribution	5605	5605	6073	6073	6307	6304
(1000 HA) ,(1000 MT)						

Appendix:

Applicable Milling Rate from Brown Rice to Milled Rice:

Based on the outcome of an industry survey in November 2011, the Ministry of Agriculture, Food, and Rural Affairs (MAFRA) acknowledged that the current average milling rate (paddy to milled) was too high, and considered lowering it from 74 percent to 72 percent to reflect current processing practices. Local processors reportedly polished rice to a greater degree in response to consumer demand for well-milled high quality rice.

The table below shows how milling rates change along the Degree of Milling (DOM) spectrum. The higher the number is in the 12 degree spectrum, the rice will be whiter and of higher quality. Korean milling degrees have recently climbed from an average of 9 to 12 degrees. While this affects milling rate, the shelling rate to brown rice from paddy rice remains unchanged at 80 percent.

Korea: Milling Rate to Milled Rice from Paddy Rice (Percent)							
Degree(s)	1	2	5	7	9 ^{a/}	10	12 ^{b/}
% of Brown Rice Removed	0.8	1.6	4.0	5.6	7.2	8.0	9.6
% of Milled Rice Remaining	99.2	98.4	96.0	94.4	92.9	92.0	90.4
% of Shelling Rate	80	80	80	80	80	80	80
% of Milling Rate	79.36	78.72	76.80	75.52	74.32	73.60	72.32

Source: Statistics Korea (KOSTAT)

a/ milling rate applicable to date

b/ milling rate to be revised in the future

The Korean government released rice production statistics that show a comparison of milled rice production based on milling rates of 9 degrees and 12 degrees, as presented below. The change in milling rates will result in a production decrease on average of about 2-3 percent. However, as MAFRA continues to maintain its official data series based on 9 degrees, PSD milling rate figures align accordingly.

Korea: Rice Production Comparison per Milling Rate						
Crop Year	Area (1,000 HA)	Rough Rice (1,000 MT)	Based on 9 Degrees		Based on 12 Degrees	
			Milled Rice (1,000 MT)	Milling Rate (%)	Milled Rice (1,000 MT)	Milling Rate (%)
1995	1,056	6,389	4,694	73.47	4,568	71.50
1996	1,050	7,123	5,323	74.73	5,179	72.71
1997	1,052	7,315	5,449	74.49	5,302	72.48
1998	1,059	6,790	5,097	75.07	4,959	73.03
1999	1,066	7,066	5,263	74.48	5,121	72.47
2000	1,072	7,197	5,291	73.52	5,148	71.53

2001	1,083	7,407	5,515	74.46	5,366	72.44
2002	1,053	6,687	4,927	73.68	4,794	71.69
2003	1,016	6,151	4,451	72.36	4,331	70.41
2004	1,001	6,737	5,000	74.22	4,865	72.21
2005	980	6,435	4,768	74.09	4,640	72.11
2006	955	6,305	4,680	74.23	4,554	72.23
2007	950	5,962	4,408	73.93	4,289	71.94
2008	936	6,468	4,843	74.88	4,712	72.85
2009	924	6,502	4,916	75.61	4,787	73.62
2010	892	5,811	4,295	73.91	4,180	71.93
2011	854	5,616	4,224	75.21	4,110	73.18
2012	849	5,405	4,006	74.12	3,898	72.12
2013	833	5,632	4,230	75.11	4,116	73.08
2014	816	5,638	4,241	75.22	4,126	73.18
2015	799	5,771	4,327	74.98	4,210	72.95
2016	779	5,625	4,197	74.61	4,084	72.60

Source: Statistics Korea (KOSTAT)